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CONFERENCE REPORT

Project	BNSF Quebecor Build-In Project	Conference Date:	June 4, 2003
Subject	Field Site Visit	Report Date:	June 29, 2003
Place	Project Site: Merced, California		
By:	Gary Petersen		

This report is a summary of subjects discussed and decisions reached at the above conference. Any discrepancies should be brought to our attention within seven days.

In Attendance:

STB: Dave Navecky

BNSF: Larry Naeger, Darold Swallow, John Morton (HDR)

U.S. Fish & Wildlife Service: Jerry Bielfeldt

California Department of Fish & Game: Daniel Applebee

Quebecor World Merced: Ron Cheek, Dan Kline, Norma Rife

Third Party Consultant Team: Gary Petersen (MFA), Kent Smith (H.T. Harvey), Mary Bacca (H.T. Harvey)

Purpose: The purpose of the site visit was to provide an opportunity for those who had not done so to see the project site and understand the project in its physical context, and also to obtain input from the resource agencies regarding how best to handle natural resource issues pertinent to the site.

Office Meeting:

A meeting was first held in the conference room of Quebecor World Merced.

Following self introductions, Mr. Navecky reviewed the facts and events leading up to the meeting. He noted that BNSF has petitioned the STB for a new rail line from the existing BNSF mainline across Santa Fe Road and across UPRR tracks, providing service to the Quebecor facility. The Surface Transportation Board (STB) has jurisdiction over such petitions and must evaluate them with regard to both interstate commerce and national environmental law. For purposes of the environmental portion of the evaluation, the Section of Environmental Analysis (SEA) manages the process.

Mr. Navecky noted that STB/SEA typically prepares an Environmental Impact Statement (EIS) for new construction projects; however, for smaller projects and based upon a formal request for waiver from the applicant, it oftentimes considers reducing the level of clearance document from an EIS to an

Environmental Assessment (EA), leading then to a Finding of No Significant Impact (FONSI). Such consideration is made and the waiver granted or denied based upon site-specific facts and conditions. Mr. Navecky noted that he expected to receive such a “waiver request” soon from the BNSF Railroad.

Mr. Navecky noted that the environmental documentation typically assembled for consideration by SEA is required pursuant to the National Environmental Policy Act (NEPA) only. Based upon the ICC Termination Act and recent case law from the U.S. Court of Appeals, Ninth District, the STB has determined that it has authority and jurisdiction to preempt certain state environmental laws, such as those in California. Therefore, for purposes of the present project, documentation pertaining to the California Environmental Protection Act (CEQA) will not be specifically prepared. However, the NEPA document will be written to include those additional components that would be required for consideration by the California responsible agencies needing to make discretionary decisions concerning the project. In the case of the BNSF Quebecor project, one such agency is involved, the California Public Utilities Commission (CPUC).

Mr. Navecky noted that the STB was still considering how the NEPA document would be prepared, but he indicated that most likely it would follow the typical approach of preparation of a Preliminary Draft Environmental Assessment (PDEA) by a consultant under contract to BNSF (HDR, in this case), followed by review and preparation of the Environmental Assessment (EA) by a third party consultant under direct contract to the STB (in this case, MFA).

Mr. Navecky noted that STB staff would be having discussions with the local and state agencies that commented during the initial consultation process regarding how their administrative needs could be met using the NEPA document.

Mr. Navecky also noted that BNSF can seek relief from the Board if it cannot reach an amicable agreement with UPRR regarding the proposed rail crossing.

Mr. Kline provided a brief overview of the Quebecor business operation, noting that it provides national-scale printing and distribution of a number of daily and weekly publications, including *U.S. News and World Report*, *TV Guide*, and *SBC Yellow Pages*. Quebecor receives deliveries of large diameter rolls of web press printing paper, primarily from a Canadian supplier, on the order of 6-8 railcars per day (approximately 1,500 carloads per year). The deliveries are one-way -- paper is delivered and railcars leave empty. The finished products are shipped out via truck. Mr. Kline noted that having access from a second rail carrier would increase Quebecor’s flexibility and was of substantial importance to the company. The need for the project arose from an in-house process improvement exercise.

Mssrs. Naeger and Swallow provided a brief description of the project, which would consist of 850 feet of track leaving the BNSF Stockton Subdivision in the northbound direction, at a point just to the south of the bridge over Black Rascal Creek, making a curve to the southeast and descending to grade to cross over Santa Fe Road (a City of Merced local road) and the existing UPRR tracks, then entering the Quebecor property to serve the facility. Currently, the UPRR tracks end within the Quebecor building. The UPRR tracks would require slight relocation as part of the project and service from either railroad would be able to enter building. Mr. Naeger noted that the arrangements for crossings and joint use of trackage between BNSF and UPRR will be worked out between the two railroads. The at-grade crossing of Santa Fe Road would have gate and light protection as typically required by the CPUC. In addition to the turn out from the main line, a tail track is also proposed, to be located just south of the main line, ending at a point approximately 75 feet east of the bridge over Black Rascal Creek. The cost of the improvements are estimated to be \$1.1 million. Mr. Naeger indicated that the City of Merced may wish to terminate Santa Fe Road in the vicinity of the proposed crossing.

Mr. Naeger described the operation of the new rail line. A train would be brought to the site from the Calwa Yard in Fresno, to the south, with one locomotive. The train would transition to the tail track, change direction and make the delivery into Quebecor and then reverse the procedure to leave the site with the empties. One movement per day is envisioned, averaging 6-8 rail cars. Mr. Naeger noted that although there would be no increase in the number of cars reaching the site on a daily basis, there would be two new railroad operations crossing over State Route 59, which is a north-south artery to the east of the plant that carries much traffic. Mr. Naeger noted that there are currently 35 trains per day operating on the main line.

The discussion then turned to resource agency matters.

Mr. Morton stated that the U.S. Army Corps had expressed a potential concern in its response letter regarding a "swale" that seemed to be located between the BNSF main line and Santa Fe Road. The Corps could not attend the field visit, unfortunately, and therefore separate coordination would be needed with Nancy Haley, the Corps staff person. Mr. Morton stated that the area in question would be examined in the field.

Note: Subsequent to the field visit, HDR contacted Ms. Haley. It appears the Corps based its comments on an old aerial photo which does not reflect current site conditions. Once the actual conditions were made known, Ms. Haley stated that the previous comment was no longer relevant.

Mr. Smith stated that, based upon field observations made by members of his firm, it appeared that wetlands involvement would not be an issue for the proposed project. That portion of the project being built in the vicinity of Black Rascal Creek is being kept far enough way to not raise issues concerning the creek itself and areas of observable localized wetlands are all located outside any area of construction.

Insofar as biological resources are concerned, Mr. Smith stated that there is one federal and state listed species - the giant garter snake - that could occupy the creek, although the likelihood of such occupancy has not as yet been established. Mr. Smith noted that there are standard conservation measures available for use during the construction period to reduce indirect effects to an acceptable level. The U.S. Fish & Wildlife Service has submitted a standard list of species needing to be considered during the course of environmental evaluation of the project.

The meeting then adjourned to the field. Before reaching the field site itself, a brief tour of the unloading dock took place. The dock has two (2) rail tracks, each of which can accommodate 7 boxcars. The proposed project would include three (3) new receiving tracks located outside the existing warehouse facility. In addition, the existing UPRR connection would be relocated slightly in order to accommodate the new rail line.

Field Walk-Over:

Mr. Swallow outlined the general aspects of the project in the field, noting areas where excavation and fill would occur. There would be a minimum of excavation required; nearly all of the required earthwork would be on new fill adjacent to the main line. The construction period was estimated to require between 90 and 120 days. The existing road profile at the new crossing would have to be raised about one foot, and therefore there would be some road work, albeit minor, also required. The proximity of power lines on the south side of the road was noted; these lines would either have to be raised to provide sufficient vertical clearance, or undergrounded. There is an existing 12KV underground line in the vicinity of the project that would have to be protected, but BNSF is fully aware of this.

Various attendees viewed differing portions of the project site in order to evaluate the proposed project in light of potential issues pertaining to their agency responsibility. Two comments were made, as follows:

Mr. Applebee stated that construction activities should be kept at least 10 feet from the top of the bank of Black Rascal Creek and further, orange construction fencing should be placed such that construction debris does not fall into the creek. With these precautions, Mr. Applebee saw no problems with the project and a 1603 protection process would not be required.

Mr. Bielfeldt noted the presence of a eucalyptus tree south of the road and beyond the creek. Mr. Bielfeldt stated that the tree should be observed for the potential presence of Swainson's hawk. Such observation should be made 30 days prior to construction.

The meeting was concluded with a debriefing in the Quebecor offices.

Both Mr. Bielfeldt (U.S. Fish & Wildlife Service) and Mr. Applebee (CDFG) indicated that no biological resources of importance or concern appeared to be present in the project study area. In addition to the comments noted above regarding the hawk and garter snake, the alignment should be surveyed for burrowing owl.

Following the meeting, Mssrs. Naeger and Morton visited with staff from Merced County and the Merced County Association of Governments regarding traffic data. Neither organization had average daily traffic (ADT) information, but both agencies indicated that they expected traffic volumes to be low along Santa Fe Road.

Conclusions

Two action items were identified:

Action Item #1: *H.T. Harvey to contact Nancy Haley to resolve the issue raised in the U.S. Army Corps response letter. Note: This item has already been executed.*

Action Item #2: *HDR to coordinate with MFA/H.T. Harvey regarding initiating field surveys for the giant garter snake, Swainson's hawk, and potentially other species, including the burrowing owl.*

BNSF Quebecor Build-In Project: Merced, California
Field Site Visit Conducted on June 4, 2003
Attendance List

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